

Section A -- Financial Statistics

The tables in this section generally present data on financial operations under the Railroad Retirement and Railroad Unemployment Insurance Acts for fiscal year 2006 and for varying numbers of prior years.

The main source of financing the railroad retirement program is a payroll tax paid by employers and employees. Railroad retirement taxes and benefits are paid on a two-tier basis. Employers and employees pay tier I taxes at the same rate as social security taxes, and the amount of earnings subject to the tax corresponds to the prevailing social security taxable maximum. Tier II taxes finance benefits payable over and above social security levels, but earnings subject to the tax are restricted to the social security taxable maximums which would have been applicable under continuation of pre-1977 social security law. Both employers and employees pay tier II taxes, but at different rates.

In calendar years 2005 and 2006, a tier I tax rate of 7.65 percent for employers and employees applied to compensation up to \$90,000 and \$94,200 per year, respectively. The tier I rates include taxes that finance the hospital insurance portion of Medicare; that tax rate for both employees and employers was 1.45 percent for 2005 and 2006. There is no limit to earnings subject to the hospital insurance portion of the tier I tax rate.

The tier II tax rate is determined annually from a tax rate schedule based on the average account benefits ratio. The average account benefits ratio is the average for the 10 fiscal years preceding the calendar year of the ratio of the fair market value of the assets in the Railroad Retirement Account and the National Railroad Retirement Investment Trust (and for years before 2002, the Social Security Equivalent Benefit Account) as of the close of each fiscal year to the total benefits and administrative expenses paid from those accounts during the fiscal year. Employer tax rates can range from 8.2 percent to 22.1 percent. Employee tax rates can range from 0 percent to 4.9 percent. In calendar year 2005, the tier II tax rates paid by employers and employees were 12.60 percent and 4.40 percent, respectively, and were levied on annual earnings up to \$66,900. During 2006, tier II tax rates were unchanged, and were levied on earnings up to \$69,900.

Additional income is derived from Federal income taxes on tier I, tier II and vested dual benefits, from interest on invested funds and from the financial interchange with the social security system. The experience under the latter arrangement is presented in table A3. Under this arrangement, the social security trust funds are, in effect, credited with the additional payroll and income taxes they would have received, and charged with the additional benefits and administrative costs they would have paid if railroad employment had been covered under the social security program, with allowances for interest. Financial interchange determinations are made jointly by the Board, the Social Security Administration, and the Centers for Medicare & Medicaid Services on an annual basis. Separate determinations are made with respect to the Old-Age and Survivors Insurance, Disability Insurance, and Hospital Insurance Trust Funds.

The railroad unemployment and sickness benefit programs are financed by contributions from railroad employers, based on a percentage of their employees' taxable earnings. In 2005 and 2006, the taxable earnings base for those programs was the first \$1,150 and \$1,195, respectively, of each employee's monthly earnings. Beginning in 1991, each employer's contribution rate is experience based.

Fiscal years begin October 1 of the prior calendar year and end September 30.

In the tables, detailed figures may not add to totals shown because of rounding.

Table A1.--Beneficiaries and benefits paid under the Railroad Retirement Act and the Railroad Unemployment Insurance Act, by fiscal year, 1997-2006

Fiscal year	Total ¹	Retirement ²	Survivor ²	Unemployment	Sickness
BENEFICIARIES (in thousands)					
1997.....	830	549	263	15	21
1998.....	800	530	254	11	21
1999.....	777	514	246	13	22
2000.....	755	499	237	14	23
2001.....	737	483	228	18	24
2002.....	719	475	219	17	24
2003.....	699	465	211	15	23
2004.....	677	456	203	12	22
2005.....	659	448	194	10	21
2006.....	643	441	187	9	20
BENEFIT PAYMENTS (in millions)					
1997.....	\$8,278.6	\$6,166.3	\$2,039.4	\$37.5	\$35.4
1998.....	8,305.9	6,199.0	2,047.5	25.9	33.4
1999.....	8,317.7	6,207.2	2,041.3	33.0	36.2
2000.....	8,373.3	6,254.1	2,040.3	36.4	42.4
2001.....	8,506.2	6,352.6	2,058.8	43.2	51.6
2002.....	8,742.1	6,535.9	2,107.5	49.2	49.4
2003.....	8,957.3	6,726.0	2,136.9	44.3	50.1
2004.....	9,091.3	6,876.9	2,131.3	37.7	45.3
2005.....	9,254.0	7,051.6	2,129.5	29.2	43.7
2006.....	9,513.7	7,294.0	2,146.9	30.8	42.1

¹ Benefit payments include a small amount of payments for hospital insurance benefits for services in Canada.

² Retirement benefits include vested dual benefit and supplemental annuity payments. Survivor benefits include vested dual benefit payments.

NOTE.-- Number of beneficiaries represents all individuals paid benefits in year. In total number for each year, beneficiaries are counted only once, even though they may have received more than one type of benefit. In fiscal year 2006, 8,800 individuals received both retirement and survivor benefits, 1,000 employees received both unemployment and sickness benefits, and 3,900 employees received benefits under both the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These figures are partly estimated, and totals for earlier years are similarly adjusted.

Table A2.--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 1997-2006 (In millions)

Item	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
RAILROAD RETIREMENT ACCOUNT										
Receipts										
Tax transfers ¹	\$2,518.7	\$2,660.8	² \$2,932.4	\$2,928.6	\$2,819.2	\$2,743.1	\$2,651.4	\$2,611.0	\$2,606.6	\$2,674.8
Interest and profit on investments ³	1,104.1	1,724.3	312.8	1,298.9	2,027.2	1,875.8	291.8	15.1	15.8	19.6
Transfers from the National RR Investment Trust ⁴.....	.....	.....	.....	.....	.....	.....	300.0	1,564.0	809.0	947.0
Transfers from the SSEB Account ⁴.....	.....	.....	.....	.....	.....	.....	.....	223.0	149.0	38.0
Loan repayments from RRS or RUI Accounts ⁵	27.1	33.9	.....	.....	.....	.....	8.2	.....	.....	.....
Transfer from RR Supplemental Account ⁶.....	.....	.....	.....	.....	.....	0.1	.....	.....	.....	.....
Expenditures										
Benefit payments ⁷	\$2,902.3	\$2,897.7	\$2,906.4	\$2,958.8	\$2,971.4	\$3,240.7	\$3,504.1	\$3,602.4	\$3,679.0	\$3,808.8
Financial Interchange adjustment ⁸	⁹ (918.3)	(13.9)	(29.0)	(50.5)	(52.9)	140.9	72.1	36.6	(137.4)	(85.9)
Net transfers to administration.....	47.1	49.5	51.2	55.9	54.7	64.9	64.0	65.3	73.7	69.9
Transfers to the National RR Investment Trust ⁴.....	.....	.....	.....	.....	.....	1,431.6	17,750.0	586.0	.....	.....
Loans to RUI Account.....	.....	.....	.....	.....	.....	7.8	.....	.....	.....	.....
Balance at end of period ¹⁰	\$13,972.3	\$15,451.2	\$15,768.9	\$17,032.9	\$18,907.2	\$18,640.4	\$502.2	\$625.6	\$591.1	\$479.4
SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT¹¹										
Receipts										
Tax transfers ¹	\$2,046.5	\$2,208.7	² \$2,000.1	\$2,208.5	\$2,134.0	\$2,134.7	\$2,128.0	\$2,240.8	\$2,370.8	\$2,462.5
Interest and profit on investments ³	125.4	95.3	94.7	118.8	105.5	71.6	59.1	20.0	23.3	28.0
Transfers under financial interchange ¹²	3,747.2	3,819.1	3,816.0	3,697.6	3,282.8	3,646.8	3,747.3	3,843.5	3,917.3	3,846.3
Advances against financial interchange ¹³	3,183.9	3,145.1	2,992.3	3,005.1	3,145.2	3,153.9	3,236.1	3,245.7	3,256.0	3,241.3
Expenditures										
Benefit payments.....	\$5,004.6	\$5,069.4	\$5,078.7	\$5,091.4	\$5,215.2	\$5,243.8	\$5,229.5	\$5,288.7	\$5,395.8	\$5,536.1
Financial Interchange adjustment ⁸	⁹ 918.3	13.9	29.0	50.5	52.9	(140.9)	(72.1)	(36.6)	137.4	85.9
Net transfers to administration.....	25.3	26.2	25.2	27.1	25.0	26.1	22.8	22.9	24.1	24.3
Transfers under financial interchange ¹²	419.1	419.4	429.9	465.3	469.7	424.7	426.3	418.6	444.9	471.5
Repayment of advances against financial interchange ¹⁴	3,399.0	3,430.0	3,370.8	3,190.1	3,222.2	3,385.3	3,342.4	3,409.9	3,399.6	3,419.7
Transfers to the National RR Investment Trust/RR Account ⁴.....	.....	.....	.....	.....	.....	.....	1,438.0	223.0	149.0	38.0
Balance at end of period.....	\$1,656.1	\$1,965.2	\$1,934.7	\$2,140.3	\$1,822.7	\$1,890.9	\$674.6	\$698.2	\$714.8	\$717.4

See footnotes at end of table.

Table A2.--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 1997-2006 (In millions) - Continued

Item	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST¹⁵										
Cash and investment balance at end of period ¹⁶ .....	.....	.....	.....	.....	.....	\$1,420.7	\$23,016.5	\$25,019.7	\$27,636.6	\$29,327.9
RAILROAD RETIREMENT SUPPLEMENTAL ACCOUNT⁶										
Receipts										
Tax transfers ¹	\$103.6	\$118.1	\$90.4	\$76.7	\$67.8	\$23.5	.....	.....	.....	.....
Interest and profit on investments ³	2.3	2.0	2.5	3.5	3.1	2.9	.....	.....	.....	.....
Expenditures										
Benefit payments ⁷	\$82.4	\$78.6	\$75.1	\$72.9	\$68.8	\$16.8	.....	.....	.....	.....
Net transfers to administration.....	2.2	2.0	2.1	2.3	2.0	0.7	.....	.....	.....	.....
Loan repayments to RR Account ¹⁴	27.1	33.9	.....	.....	.....	.....	.....	.....	.....	.....
Transfers to the National RR Investment Trust ⁴.....	.....	.....	.....	.....	.....	70.4	.....	.....	.....	.....
Transfer to Railroad Retirement Account.....	.....	.....	.....	.....	.....	0.1	.....	.....	.....	.....
Balance at end of period.....	\$35.3	\$41.0	\$56.8	\$61.7	\$61.7	.....	.....	.....	.....	.....
DUAL BENEFITS PAYMENTS ACCOUNT¹⁷										
Dual benefit transfers ¹⁸	\$223.0	\$205.5	\$189.0	\$173.3	\$160.0	\$146.0	\$131.1	\$118.3	\$107.1	\$97.0
Benefit payments.....	216.4	200.9	188.4	171.4	156.0	142.2	129.4	117.3	106.3	96.0
Balance at end of period ¹⁰	\$6.6	\$4.6	\$0.6	\$1.9	\$4.0	\$3.9	\$1.8	\$1.0	\$0.8	\$1.0

See footnotes at end of table.

Table A2.--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 1997-2006 (In millions) - Continued

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- ¹ Net of U.S. Treasury adjustments for payroll tax refunds to certain carriers and their employees for prior periods. Includes Federal income tax transfers under section 72(r) of the Internal Revenue Code as amended.
- ² Reflects transfer of \$83.1 million from the Social Security Equivalent Benefit Account to the Railroad Retirement Account for reallocation of fiscal year 1998 payroll taxes. Railroad Retirement Account also reflects special Treasury income tax adjustment of \$146 million for calendar years 1988-1994
- ³ Net of interest on U.S. Treasury adjustments for payroll tax refunds (see note 1).
- ⁴ Under the Railroad Retirement and Survivors' Improvement Act of 2001, as amended, the portion of the Railroad Retirement Account not needed to pay current administrative expenses is to be transferred to the National Railroad Retirement Investment Trust (Trust). The Trust may transfer funds back to the Railroad Retirement Account for payment of benefits. The balance of the Social Security Equivalent Benefit (SSEB) Account not needed to pay current benefits and administrative expenses is to be transferred to the Trust or to the Railroad Retirement Account. The SSEB Account transferred funds to the Trust in fiscal year 2003 and to the Railroad Retirement Account thereafter.
- ⁵ Includes interest. FY 1997-1998 loan repayments from the Railroad Retirement Supplemental Account. FY 2003 loan repayment from the Railroad Unemployment Insurance Account.
- ⁶ Under the Railroad Retirement and Survivors' Improvement Act of 2001, the supplemental work-hour tax was repealed for years after 2001, and the separate Railroad Retirement Supplemental Account was eliminated. The balance remaining in the Railroad Retirement Supplemental Account was transferred to the Railroad Retirement Account.
- ⁷ Effective January 1, 2002, supplemental benefits are paid from the Railroad Retirement Account.
- ⁸ Adjustments in benefit payments charged to the Social Security Equivalent Benefit Account as compared to actual financial interchange benefits, with interest.
- ⁹ Reflects adjustment in benefit payments (Railroad Retirement Account -\$676.8 million, Social Security Equivalent Benefit Account +\$676.8 million) charged to the Social Security Equivalent Benefit Account for October 1984 - December 1995, as compared to actual financial interchange benefits, with interest (Railroad Retirement Account +\$241.6 million, Social Security Equivalent Benefit Account -\$241.6 million) through August 1, 1997.
- ¹⁰ The Railroad Retirement Account balance reflects (a) the current net difference between Board payments of social security benefits and the receipt of reimbursements for such payments, (b) liabilities for uncashed check credits received from U.S. Treasury, and (c) credits for undistributed payment returns and recoveries. The Dual Benefits Payments Account balance does not carry over to the following year.
- ¹¹ Established October 1, 1984, to keep track of the financing and payment of social security level portions of railroad retirement benefits.
- ¹² Transfers to or from OASDHI Trust Funds under section 7(c)(2) of the 1974 Railroad Retirement Act.
- ¹³ Advances, including interest, from U.S. Treasury to offset lag in receipt of financial interchange funds under section 7(c)(4) of the 1974 Railroad Retirement Act as amended.
- ¹⁴ Includes interest.
- ¹⁵ Established February 1, 2002, for investment of railroad retirement assets.
- ¹⁶ Source: National Railroad Retirement Investment Trust.
- ¹⁷ Established October 1, 1981, to keep track of the financing and payment of vested dual benefits.
- ¹⁸ Transfers from U.S. Treasury under section 15(d) of the Railroad Retirement Act of 1974 and Federal income tax transfers under section 72(r) of the Internal Revenue Code as amended.

Table A3.--Status of the financial interchange between the Railroad Retirement Accounts and the Old-Age and Survivors, Disability, and Hospital Insurance Trust Funds, by fiscal year, 1997-2006, on a cash basis (In millions)

Fiscal year	Taxes ¹	Benefit payments and administrative expenses ²	Amount due as of end of year to or (from) the Railroad Retirement Accounts ³	Transferred to or (from) the Railroad Retirement Accounts ⁴
OLD-AGE AND SURVIVORS INSURANCE				
1997.....	\$1,395.2	\$4,789.9	\$3,500.7	\$3,688.1
1998.....	1,423.6	4,845.2	3,521.8	3,662.2
1999.....	1,536.2	4,828.3	3,390.1	3,681.4
2000.....	1,516.8	⁵ 4,542.2	3,135.2	3,538.2
2001.....	1,513.1	4,791.5	3,352.1	3,273.1
2002.....	1,504.7	4,817.7	3,452.5	3,493.3
2003.....	1,492.3	4,902.9	3,513.0	3,580.0
2004.....	1,568.8	4,926.3	3,477.2	3,628.1
2005.....	1,641.5	4,914.1	3,353.9	3,579.3
2006.....	.....	.....	.....	3,458.0
Cumulative 1937-2006.....	\$46,782.1	\$135,343.5	.....	\$96,584.9
DISABILITY INSURANCE				
1997.....	\$220.2	\$324.2	\$149.9	\$59.1
1998.....	218.3	328.3	128.8	156.8
1999.....	231.3	367.3	152.7	134.6
2000.....	234.1	⁶ 225.6	9.3	159.4
2001.....	243.8	389.0	147.3	9.7
2002.....	243.5	399.8	161.4	153.5
2003.....	238.8	447.7	208.6	167.4
2004.....	251.2	554.5	328.3	215.4
2005.....	264.6	613.5	376.6	337.9
2006.....	.....	.....	.....	388.3
Cumulative 1937-2006.....	\$5,991.5	\$8,584.6	.....	\$3,023.9

See footnotes at end of table.

Table A3.--Status of the financial interchange between the Railroad Retirement Accounts and the Old-Age and Survivors, Disability, and Hospital Insurance Trust Funds, by fiscal year, 1997-2006, on a cash basis (In millions) - Continued

Fiscal year	Taxes ¹	Benefit payments and administrative expenses ²	Amount due as of end of year to or (from) the Railroad Retirement Accounts ³	Transferred to or (from) the Railroad Retirement Accounts ⁴
HOSPITAL INSURANCE				
1997.....	\$384.2	\$3.6	(\$400.9)	(\$419.1)
1998.....	391.3	3.1	(411.3)	(419.4)
1999.....	421.1	3.1	(445.8)	(429.9)
2000.....	424.4	2.6	(449.9)	(465.3)
2001.....	389.8	1.6	(407.5)	(469.7)
2002.....	398.3	2.6	(411.1)	(424.7)
2003.....	393.0	2.1	(405.3)	(426.3)
2004.....	418.4	2.5	(432.2)	(418.6)
2005.....	442.5	2.6	(457.3)	(444.9)
2006.....	.....	.....	.....	(471.5)
Cumulative 1937-2006.....	\$10,810.0	\$68.6	.....	(\$11,811.5)

¹ Beginning fiscal year 1984, Old-Age and Survivors Insurance and Disability Insurance include Federal income taxes. Hospital Insurance income taxes included beginning fiscal year 1994.

² Cumulative for Old-Age and Survivor Insurance and Disability Insurance is net of pre-1957 military service adjustments. For hospital insurance, administrative expenses only.

³ Includes interest at rate applicable to each trust fund.

⁴ Represents transfer of amount due at end of preceding year with interest from due date to date of transfer.

⁵ Includes adjustment for pre-1957 military service: Fiscal Year 2000 -\$326.1 million.

⁶ Includes adjustment for pre-1957 military service: Fiscal Year 2000 -\$145.0 million.

NOTE.--Under the financial interchange provision of the Railroad Retirement Act, the Board, the Commissioner of Social Security, and the Secretary of Health and Human Services make annual determinations of the amounts which would place the Federal Old-Age and Survivors, Disability, and Hospital Insurance Trust Funds in the same position in which they would have been if railroad employment had been covered by the Social Security Act. Transfers are to or from the Railroad Retirement Account in all years through fiscal year 1984; beginning fiscal year 1985, transfers are to or from the Social Security Equivalent Benefit Account. All figures are net after adjustment for changes in prior years.

Table A4.--Status of the Railroad Unemployment Insurance Account, by fiscal year, 2002-2006 (In thousands)

Item	Fiscal year				
	2002	2003	2004	2005	2006
RECEIPTS					
Taxes.....	\$75,696	\$122,638	\$109,191	\$76,179	\$65,725
Interest.....	1,582	3,444	5,148	5,796	5,387
Transfer from Administration fund under sec. 11(d) of the RUI Act.....	6,734	5,645	6,608	6,544	6,664
Undistributed recoveries of benefit payments ¹	(900)	788	(1,037)	(327)	(982)
Loan from the RR Account.....	7,800	....	....	....	....
Total.....	\$90,912	\$132,515	\$119,910	\$88,192	\$76,794
EXPENDITURES					
Benefit payments.....	\$98,580	\$94,389	\$82,975	\$72,861	\$72,812
Repayment of RRA Loan.....	....	8,181	....	....	....
Funding for Office of Inspector General.....	1,372	1,392	1,318	1,686	1,558
Total.....	\$99,953	\$103,962	\$84,293	\$74,547	\$74,370
Cash balance end of period.....	\$19,368	\$47,921	\$83,537	\$97,183	\$99,606
LOANS DUE RAILROAD RETIREMENT ACCOUNT					
Loans.....	\$7,800	....	....	....	....
Interest accrued.....	208	\$173	....	....	....
Repayment from RUI Account.....	....	8,181	....	....	....
Due RR Account end of period.....	\$8,008	....	....	....	....

¹ Net of distributed payments.

Table A5.--Status of the RUIA Administration Fund, by fiscal year, 1997-2006 (In thousands)

Fiscal year	Taxes and interest	Administrative expenditures ¹	Transfer to Railroad Unemployment Insurance Account under Sec. 11d ²	Balance at end of period
1997.....	\$16,891	\$16,136	\$694	\$4,883
1998.....	19,081	13,123	2,993	7,849
1999.....	20,235	13,188	5,814	9,081
2000.....	19,941	14,847	6,546	7,629
2001.....	20,434	14,004	6,048	8,011
2002.....	20,032	13,266	6,734	8,043
2003.....	21,313	15,407	5,645	8,304
2004.....	20,787	15,846	6,608	6,637
2005.....	21,126	15,761	6,544	5,457
2006.....	21,980	10,610	6,664	10,163

¹ Expenditures for each year included encumbrances as of end of year. FY 2006 reflects reallocation of fiscal years 2001-2005 administrative expenses between the Railroad Retirement Act and Railroad Unemployment Insurance Act programs.

² Transfers to the Railroad Unemployment Insurance Account are based on the amount the accrual balance on the prior September 30 exceeded \$6,000,000.

**Table A6.--Retirement, survivor, unemployment, and sickness benefit payments, by class of benefit and state
of residence of beneficiary, fiscal year 2006 (In thousands)**

State	Total	Retirement benefits	Survivor benefits	Unemployment benefits	Sickness benefits
Alabama	\$164,582	\$126,759	\$36,672	\$477	\$675
Alaska	3,159	2,121	681	354	3
Arizona	168,454	131,231	36,414	415	394
Arkansas	168,606	136,773	30,660	354	820
California	500,064	381,475	113,903	1,878	2,808
Colorado	131,579	102,538	28,252	283	507
Connecticut	48,125	36,023	11,711	119	272
Delaware	31,840	23,872	7,576	117	276
Washington DC	7,076	4,923	1,981	80	91
Florida	512,022	409,845	99,946	1,052	1,179
Georgia	268,688	211,306	55,103	1,117	1,162
Hawaii	2,699	2,067	627	5	.....
Idaho	80,851	63,783	16,586	190	292
Illinois	591,048	455,290	128,619	3,687	3,453
Indiana	280,548	215,736	61,941	1,286	1,585
Iowa	151,158	114,772	35,312	458	616
Kansas	242,840	192,681	49,013	494	653
Kentucky	256,855	201,040	54,122	459	1,234
Louisiana	132,461	99,895	30,902	921	744
Maine	49,278	36,436	12,602	141	99
Maryland	159,231	118,153	39,509	511	1,058
Massachusetts	69,951	50,267	18,693	470	520
Michigan	248,100	193,011	52,951	998	1,139
Minnesota	262,397	201,170	59,670	813	744
Mississippi	107,296	84,578	22,025	340	353
Missouri	320,628	249,512	69,140	949	1,027
Montana	103,774	81,351	21,749	425	250
Nebraska	197,171	157,146	38,113	563	1,349
Nevada	58,542	46,772	11,471	130	168
New Hampshire	13,785	9,910	3,802	39	34

Table A6.--Retirement, survivor, unemployment, and sickness benefit payments, by class of benefit and state of residence of beneficiary, fiscal year 2006 (In thousands) - Continued

State	Total	Retirement benefits	Survivor benefits	Unemployment benefits	Sickness benefits
New Jersey	\$157,113	\$114,607	\$40,620	\$475	\$1,412
New Mexico	78,423	60,167	17,710	304	241
New York	392,657	299,388	89,100	1,640	2,529
North Carolina	173,842	134,220	38,736	366	521
North Dakota	56,902	43,369	12,869	462	202
Ohio	487,711	363,385	121,258	1,221	1,847
Oklahoma	87,878	68,248	19,186	195	248
Oregon	145,508	113,198	31,599	289	423
Pennsylvania	644,820	462,616	177,825	1,448	2,932
Rhode Island	9,004	6,354	2,555	23	73
South Carolina	112,721	87,776	24,215	298	432
South Dakota	21,379	16,339	4,766	116	158
Tennessee	205,553	157,680	46,514	502	856
Texas	570,093	440,420	125,194	1,794	2,686
Utah	95,403	72,586	22,359	187	272
Vermont	13,258	9,264	3,943	32	19
Virginia	304,439	234,429	68,436	524	1,050
Washington	196,997	153,849	41,867	530	751
West Virginia	163,942	121,603	41,417	176	747
Wisconsin	171,711	130,754	39,312	873	773
Wyoming	54,333	42,888	10,883	179	382
Outside United States:					
Canada ¹	25,283	13,951	11,320	.....	.....
Mexico	3,543	1,645	1,898	.....	.....
Other	8,382	4,830	3,551	.....	.....
Total	\$9,513,703	\$7,294,000	\$2,146,878	\$30,754	\$42,058

¹ Total includes \$12,000 for hospital insurance benefits for services in Canada.

NOTE.--Data partly estimated.